

Improving California's Workforce Development System

California's continuing economic competitiveness is increasingly dependent upon an educated and skilled workforce. Workers, however, too often find it confusing to access job training, job placement, and educational services for career ladder development in the complex labyrinth of existing State programs. Employers find it difficult to locate and attract qualified workers for high-skilled, high-paying jobs as well as for entry-level jobs.

The State's \$4.6 billion (\$2 billion General Fund) workforce development system is comprised of a patchwork of 34 job training programs administered by 13 different State entities (see Figure A). Services ranging from core employment services to apprenticeship training and vocational education are provided to over 4 million California residents annually. Key to sustained economic growth in California is providing a workforce development system that measures success not by how many people obtain services, but by how many people obtained jobs, or better-paying jobs by upgrading their skills. Therefore, the current workforce development system must be reformed to achieve the following goals:

- ❖ Promote access and accountability
- ❖ Eliminate program duplication
- ❖ Achieve cost-efficiencies

The current economic condition of the state in which job growth has slipped and unemployment has risen makes improvements to the existing workforce development system an imperative for policymakers. The Administration outlines a four-pronged reform of California's workforce development system as discussed below, and looks forward to working with the Legislature to craft legislation to implement these improvements.

- ❖ **Streamline the existing job training system to provide better access to services for those out of work and those seeking skills for career ladder development**—The State's current workforce development efforts are referred to as a "system" but they are mostly a collection of programs that provide core employment services and economic development activities, job training for special populations, and vocational and adult education. Many of these programs were enacted to address the job training needs for specific communities, without regard to the need for a fully integrated workforce development system. While much good has been accomplished, the result has also been a complex array of programs that are duplicative and difficult to access.

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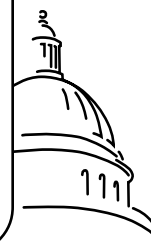


Figure A

**Job Training Programs in California
(Dollars in Thousands)**

		2002-03 Budget	
Department	Program	General Fund	Other Funds
Core Employment Services and Economic Development			
Employment Development	Mainstream Job Service	\$1,182	\$104,180
Employment Training Panel	Training and Economic Development Program	\$0	\$76,033
Industrial Relations	Apprenticeship Training	\$0	\$3,136
Community Colleges	Apprenticeship Training	\$12,729	\$0
Education	Apprenticeship Program	\$15,852	\$0
Employment Services for Special Populations			
Aging	Senior Community Service Employment	\$2,024	\$7,605
Community Services and Development	Community Services	\$1,000	\$53,382
Employment Development	Special Veterans Services	\$0	\$19,541
Employment Development	Trade Adjustment Act and North American Free Trade Agreement Training Programs	\$0	\$12,030
Employment Development	Workforce Investment Act	\$0	\$611,314
Employment Development	Wagner Peyser Grant Special Projects	\$0	\$8,922
Employment Development	Federal Welfare-to-Work Grant	\$0	\$58,392
Employment Development	Faith-Based Initiative	\$4,000	\$0
Social Services	Food Stamp Employment and Training	\$0	\$41,052
Social Services	CalWORKs Employment Services	\$200,385	\$1,083,826
Social Services	Refugee Assistance Services	\$0	\$19,733
Conservation Corps	Training and Work Program	\$53,504	\$30,322
Youth Authority	Job Placement Services	\$674	\$0
Corrections	Preventing Parolee Crime (Job Training Component)	\$0	\$7,613
Rehabilitation	One-Stop Center Vocational Rehabilitation Services	\$167,355	\$297,534
Transportation	Maintenance Program Youth Job Skills Program	\$0	\$2,532
Transportation	On-the-Job Supportive Services	\$0	\$1,331
Vocational and Adult Education			
Community Colleges	Post-Secondary Vocational Education	\$374,874	\$0
Community Colleges	Economic Development Program	\$40,187	\$0
Community Colleges	Partnership for Excellence (Vocational Component)	\$43,871	\$0
Education	Secondary Vocational Education	\$660,755	\$0
Education	Adult Education (Vocational Component)	\$59,296	\$7,411
Education	Agriculture Vocational Education	\$4,232	\$0
Education	Partnership Academies	\$23,050	\$0
Education	Regional Occupational Programs and Centers	\$375,679	\$0
Education	Workforce Investment Act Match - Vocational Education	\$7,022	\$0
Education	Perkins Vocational Training and Education Act	\$0	\$130,445
Secretary of Education	School to Career	\$2,000	\$0
Total		\$2,049,671	\$2,576,334
Grand Total		\$4,626,005	



The Administration proposes the following actions to facilitate access to services and achieve a common purpose among the existing job training programs:

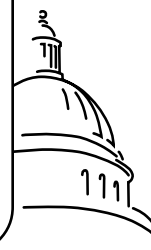
- ❖ Consolidation of all existing job training programs that provide core employment services, economic development, and job training services to special populations under the auspices of a proposed new Labor Agency. The Labor Agency would consist of the Employment Development Department (EDD) and the Department of Industrial Relations (DIR) and their associated boards and commissions, the Workforce Investment Board (WIB), and the Agricultural Labor Relations Board.

The benefits to workforce development of establishing a new Labor Agency include the following:

- ◆ Stronger ties between the EDD's job training programs, DIR's apprenticeship programs, and the WIB's workforce development efforts will maximize billions of dollars in existing job training funds and coordinate resources to better meet the growing need for workforce education, development, and retraining.
- ◆ Coordination between the existing labor research units in the EDD and DIR will result in more comprehensive information and data on California's workforce and economy to guide workforce development program planning.

Coordination of activities among these existing State entities under a single Labor Agency is consistent with the Administration's objective of having a workforce development system of component programs that share in a common purpose.

- ❖ Consolidation of all existing apprenticeship programs under the DIR. Currently, the DIR, Department of Education (SDE), and the California Community Colleges (CCC) administer separate apprenticeship training programs to promote, expand, and develop on-the-job training and apprenticeship programs with both public and private employers. Consolidation of these programs could result in administrative efficiencies, better coordination of apprenticeship training needs in the state, and easier access to these programs by employers and workers.
- ❖ Consolidation of all vocational and adult education programs under the CCC. Currently, CCC, SDE, and the Secretary for Education, administer 11 separate vocational and adult education programs. These programs provide the academic knowledge and skills needed to prepare for further



education and careers in current or emerging employment sectors, and serve adults by providing citizenship training and education to improve, among other things, literacy skills and employability. Consolidation of these programs could result in administrative efficiencies, better coordination of vocational and adult educational needs in the state, and easier access to these programs by workers. Additionally, with this consolidation, the CCC may establish appropriate regional partnerships with various business and industry sectors to address workforce development needs.

❖ **Block grant all existing job training funds, to the extent permitted by federal law, to consolidate the focus of resources to the various workforce development needs**—For example:

- ❖ To facilitate the services that would be provided by the State entities under the proposed Labor Agency discussed above, existing funds for core employment services, economic development, and job training services for special populations should be consolidated into a block grant to address workforce development needs and the manner in which services are provided more comprehensively. Currently, funding for these programs totals \$2.9 billion (\$458.7 million General Fund): \$213.1 million (\$29.8 million General Fund) for core employment services and economic development, including \$31.7 million (\$28.6 million General Fund) for apprenticeship programs and \$2.7 billion (\$428.9 million General Fund) for job training services for special populations.
- ❖ To more effectively respond to the vocational and adult education needs of workers and employers pursuant to the proposed consolidation of these programs discussed above, existing vocational and adult education funds should be consolidated into a block grant. Currently, funding for these programs totals \$1.7 billion (\$1.6 billion General Fund): \$458.9 million General Fund for CCC programs, \$1.3 billion (\$1.1 billion General Fund) for SDE's programs; and \$2 million General Fund for the Secretary for Education's programs.

❖ **Apply rigorous standards of accountability to State and local job training programs.** The Administration believes that state and local job training programs should be held to the same rigorous standards of accountability that were enacted pursuant to K-12 education reform in 1999-00.

California established a performance-based accountability system for job training in 1996, the Job Training Report Card. The objective of the Report Card is to provide a common measure of performance of State and federally-funded workforce development programs for several reasons:



- ❖ To inform policymakers on the facilitation of system, program, and instructional improvement needed as they make State policy and fiscal decisions.
- ❖ To advise service providers seeking continuous program improvement.
- ❖ To assist consumers in making informed decisions on accessing services and programs.

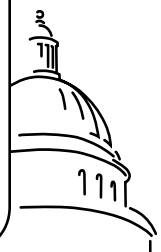
Specific outcome measures include, but are not limited to, the following:

- ❖ Program completion.
- ❖ Job placement and duration of job retention after placement.
- ❖ Wage gain.
- ❖ Academic achievement.
- ❖ Return on public investment in job training programs.

Successful implementation of the Report Card accountability system has been hampered by lack of funding; inadequate participation due to confidentiality concerns; and overly complex presentation of program information.

The ability to measure job training program performance is essential to improving the overall performance of California's workforce development system at the state and local levels. The Administration intends to redirect existing workforce development funds to bolster the accountability system begun in 1996 so policymakers and consumers can identify successful programs and allocate resources appropriately to programs with successful outcomes.

- ❖ **Shift the focus of California's existing workforce development system from short-term job training to economic development**—As discussed earlier, the State's existing workforce development system is comprised of a patchwork of programs that each provides services to a single constituency of displaced, unemployed, or unskilled workers. This has resulted in the inefficient expenditure of job training resources and an inappropriate focus of many of these programs to effectively respond to the long-term workforce development needs of workers and employers throughout the State.



The Administration believes a workforce development system that focuses on long-term economic development should incorporate the following key elements:

- ❖ The system should be comprised of programs that provide opportunities to acquire basic skills and enter and move up the workforce.
- ❖ Career opportunities should reflect the needs of larger regional markets rather than the needs of a single small community.
- ❖ Job training programs should be responsive to labor market and industry demands and growth opportunities, rather than provided in isolation of these considerations.
- ❖ Primary consideration for the expenditure of job training funds should be based on the coordinated use of resources and given to working partnerships among employers, CCC or other training organizations, local workforce investment boards, social services agencies and other community organizations, and government.

